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Robert D. Coble
Member

June 1, 2005

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Public Service Commission of SC
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Re: Filing of Alltel South Carolina, Inc.

Dear Sir/Madam:

I have enclosed for filing the Rebuttal Testimony of Jayne Eve in the above matter. Also enclosed is a facsimile copy of the Certificate of Service, with the original to follow tomorrow.

Very truly yours,

Robert D. Coble

RDC/mm
Enclosures

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**BEFORE THE
PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA**

BellSouth Telecommunications, Inc.)	
Transit Traffic Service Tariff)	Docket No. 2005-63-C
No. 2005-50)	

REBUTTAL TESTIMONY

OF

JAYNE EVE

On Behalf Of

ALLTEL SOUTH CAROLINA, INC.

Filed June 2, 2005

1 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, EMPLOYER AND**
2 **CURRENT POSITION.**

3 **A.** My name is Jayne Eve, and my business address is P.O. Box 689, 236 West
4 Center Avenue, Mooresville, NC 28115. I am employed by Alltel
5 Communications as Director – State Government Affairs and am responsible for
6 regulatory affairs in several southern states.

7
8 **Q. ARE YOU THE SAME JAYNE EVE WHO SUBMITTED DIRECT**
9 **TESTIMONY ON BEHALF OF ALLTEL SOUTH CAROLINA, INC.?**

10 **A.** Yes, I am.

11
12 **Q. WHAT IS THE PURPOSE OF YOUR REBUTTAL TESTIMONY?**

13 **A.** My rebuttal testimony addresses several areas related to the direct testimony filed
14 on May 16, 2005 by Kenneth Ray McCallen on behalf of BellSouth
15 Telecommunications, Inc. ("BellSouth"). First, I will address additional concerns
16 that Alltel South Carolina, Inc. ("Alltel") has regarding the proposed transit tariff
17 and the proposed transit rate including what constitutes a reasonable, comparable
18 rate. Second, I will address how Alltel traffic is similar to IXC traffic making
19 intrastate access-like rates reasonable and address issues arising from future tariff
20 increases. Third, I will address how Internet Service Provider ("ISP") traffic
21 should be handled with respect to any transit traffic tariff.

22

1 **Q. WHAT ARE ALLTEL’S CONCERNS REGARDING BELL SOUTH’S**
2 **PROPOSED TRANSIT TRAFFIC TARIFF?**

3 **A.** First, I want to explain that Alltel believes that this matter should be and is the
4 subject of commercial negotiations between BellSouth and Alltel, rather than the
5 subject of a disputed tariff in this proceeding. However, because this tariff has
6 been filed and it is proposed to be made mandatory and applicable to companies
7 like Alltel, unless or until we reach agreement with BellSouth, we must
8 participate and oppose this tariff. We will, while this tariff is pending, continue to
9 attempt to negotiate and are hopeful that agreement will be reached. We are
10 concerned, however, that if this tariff is approved and becomes mandatory and
11 applicable to Alltel, then because BellSouth contends it has no transit function
12 obligation and that any associated rate will be at its discretion, then approval will
13 end any chance of fair negotiations.

14 **Q. OF WHAT RELEVANCE IS THE FACT THAT CLECS AND CMRS**
15 **CARRIERS MAY HAVE AGREED TO A TRANSIT RATE SIMILAR TO**
16 **THAT PROPOSED BY BELL SOUTH IN THIS PROCEEDING?**

17 **A.** The fact that CMRS carriers and CLECs may have agreed to transit rates similar
18 to those proposed by BellSouth has very little relevance to this proceeding. The
19 interconnection agreements entered into by CLECs and CMRS carriers are
20 comprehensive agreements that encompass a multitude of services and terms,
21 including, unbundled elements, resale, network interconnection and miscellaneous
22 other services. The proposed transit tariff addresses only one service, transit. Just
23 as the FCC determined it is not proper to allow carriers to “pick and choose” rates

1 or services from these comprehensive agreements, a carrier should not be allowed
2 to pick and chose a single rate or service from those interconnection agreements
3 and selectively enforce it against other carriers.
4

5 **Q. WHAT RATE DOES ALLTEL PROPOSE THAT BELL SOUTH BE**
6 **ALLOWED TO INSERT IN A DEFAULT TARIFF?**

7 **A.** If the tariffed rate is going to be the default or mandatory rate applicable to stand
8 alone transit service, then the Commission should set a transit rate that is
9 comparable to the BellSouth intrastate access rates that are applicable to the same
10 transit service utilized by IXC's. As I will explain later, the ICO transit service
11 arrangement is much more comparable to the transit service used by IXC's than to
12 the CLEC or CMRS comprehensive interconnection arrangements. Mr. McCallen
13 testified that the BellSouth tandem switching rate did not address all aspects of
14 transit service (McCallen direct testimony, at page 11). Even if that is correct
15 however the rate should still be substantially lower than that proposed in the tariff.
16 The associated access components of transit service, at the most would include
17 tandem switching and transport from the ICO point of interconnection ("POI")
18 with BellSouth to the BellSouth tandem switch. Mr. McCallen mentioned a
19 port/termination charge. However, the traffic subject to the transit service rate
20 does not terminate to a BellSouth end user and is not applicable to the
21 development of a transit service rate. Therefore, based on BellSouth's tariffed
22 rates currently charged to IXC's for the comparable service, the composite transit
23 rate, including all possible elements, should not exceed \$.00114 per originating

1 minute of use. This rate consists of the sum for BellSouth's Intrastate Access rate
2 element of access tandem switching and switched interoffice channel for common
3 transport per mile rate. The rate proposed by BellSouth is almost three times
4 higher than the rate proposed by Alltel and the BellSouth proposed 2006 rate of
5 \$0.006 is more than five times higher than Alltel's proposed rate.

6
7 **Q. DOES THE BELL SOUTH TRANSIT RATE REASONABLY AND**
8 **RATIONALLY COMPARE TO RATES BELL SOUTH CHARGES THE**
9 **IXC'S?**

10
11 **A.** No. If we were to apply BellSouth's Intrastate access tariff rate elements to its
12 proposed 2006 transit rate of \$0.006 per minute of use, BellSouth would be
13 charging for 131 miles of transport. This mileage is calculated by reducing the
14 proposed 2006 transit rate of \$0.006 by BellSouth's tariffed tandem switching rate
15 of \$0.00074. The remaining rate of \$0.00526 would then be divided by
16 BellSouth's tariffed transport rate of \$0.00004 per mile which equals 131 miles of
17 transport. This mileage is beyond any scope of reasonableness by any measure
18 and should be rejected by the Commission.

19 **Q. MR. MCCALLEN'S DIRECT TESTIMONY ASKS WHETHER HE**
20 **AGREES, AS ALLTEL SUGGESTS, THAT ICOS ARE SIMILARLY**
21 **SITUATED TO AN IXC. CAN YOU COMMENT ON HIS RESPONSE?**

1 **A.** Yes. Mr. McCallen never actually answers his own question with respect to the
2 correlation between the network elements required to deliver transit traffic
3 originated by an ICO and transit traffic delivered by an IXC. In an attempt to
4 justify basing the rate in this transit tariff on BellSouth's interconnection
5 agreements with CLECs and CMRSs, Mr. McCallen continues to avoid
6 addressing the routing of IXC traffic and the Commission-approved tariffed rates
7 for that service.

8

9 **Q. CAN YOU DESCRIBE BRIEFLY HOW INTEREXCHANGE CARRIER**
10 **(“IXC”) TRAFFIC IS ROUTED TO THE BELL SOUTH TANDEM AND**
11 **THE ASSOCIATED CHARGES?**

12

13 **A.** Yes. When an IXC call is originated from an Alltel end office that sub-tends a
14 BellSouth tandem office, Alltel routes the IXC call on a specific facility to the
15 BellSouth tandem for delivery to the IXC's Point of Presence (“POP”). The IXC
16 pays BellSouth for the transport cost from a pre-established Point of
17 Interconnection between the Alltel and BellSouth service territories to the
18 BellSouth tandem office and for tandem switching at the BellSouth tandem office.

19

20 **Q. CAN YOU EXPLAIN HOW THE ICOS ARE SIMILARLY SITUATED TO**
21 **THE IXCS WITH RESPECT TO THE NETWORK ELEMENTS**
22 **REQUIRED TO DELIVER TRANSIT TRAFFIC?**

23

1 **A.** Yes. In accordance with a BellSouth mandate, all originating Alltel transit traffic
2 destined for CLECs and CMRS providers was removed from Local/Mandatory
3 Extended Area Service facilities and is routed by Alltel on the same network
4 facility used to route IXC traffic to the BellSouth tandem. At the tandem,
5 BellSouth switches the call to the appropriate carrier---IXC, CLEC or CMRS
6 provider. It is for this reason, that Alltel believes this Commission should set the
7 transit traffic rate at the ALLTEL proposed rate of .00114 and not the rate
8 requested by BellSouth.

9

10 **Q. ARE THERE OTHER ISSUES THAT ARISE WITH THE APPROVAL OF**
11 **THE BELL SOUTH PROPOSED TRANSIT TRAFFIC TARIFF RATE?**

12 **A.** Yes. If BellSouth's proposed tariff is approved based upon the premise that the
13 rate is comparable to other negotiated agreements, and not just and reasonable,
14 then BellSouth may be allowed to make future increases with just a notice filing
15 to the Commission. It is unclear in that instance, upon what basis the ICOs or
16 CLECs could petition the Commission against future increases. Having a transit
17 rate that exceeds a just and reasonable level will not be in the public interest, nor
18 help in the ICOs' ability to offer universal service at affordable rates. As the ICOs
19 begin to bear new transit expense costs, local subscriber rates could be impacted
20 by having to incorporate this added cost into those rates.

21

22 **Q. SHOULD BELL SOUTH'S PROPOSED TARIFF BE APPLICABLE TO ISP**
23 **TRAFFIC?**

1 **A.** No. ICOs originate traffic that transits BellSouth's tandem and is terminated to
2 CLEC that serves an ISP. In its proposed tariff, BellSouth anticipates the ICO or
3 CLEC paying BellSouth the Transit Traffic Service rate of \$.003 or higher per
4 minute-of-use on this ISP-bound traffic. However, ISP traffic has been deemed to
5 be interstate in nature by the Federal Communications Commission and cannot be
6 subject to the proposed intrastate tariff.

7

8 **Q. DOES THIS CONCLUDE YOUR REBUTTAL TESTIMONY?**

9 **A.** Yes, at this time.

STATE OF NORTH CAROLINA)
COUNTY OF WAKE) CERTIFICATE OF SERVICE

This is to certify that I, Sue Boyle, an employee of ALLTEL Communications, Inc., have this date served one (1) copy of the **TESTIMONY OF JAYNE EVE** in the BellSouth Telecommunications, Inc. Transit Traffic Service Tariff No. 2005-50 to the person(s) named below by causing said copy to be deposited in the United States Postal Service, first class postage prepaid and affixed thereto, and addressed as shown below:

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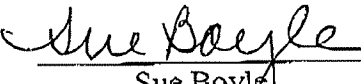
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Sue Boyle

June 1, 2005
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